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An aerial photograph of the Port of Oakland, showing the city, the airport, and the surrounding water and hills. The text "Port of Oakland 1957 Revenue Bonds Series M" is overlaid on the right side of the image.

# Port of Oakland 1957 Revenue Bonds Series M





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Ports

## PORT OF OAKLAND

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Orrick, Herrington, Rowley & Sutcliffe, *San Francisco*

#### **Financing Consultants**

Hornblower & Weeks-Hemphill, Noyes Incorporated,  
*San Francisco*

#### **Fiscal Agent**

Bank of America NT & SA, *Oakland*

#### **Paying Agents**

The Chase Manhattan Bank N.A., *New York City*  
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*The information contained in this official statement was prepared under direction of the Board of Port Commissioners by Hornblower & Weeks-Hemphill, Noyes Incorporated, San Francisco, employed by the Board as financing consultants in connection with these bonds. All of the following summaries of the City Charter, Resolutions, and other documents are made subject to the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is hereby made to such documents for further information.*

*The information contained in this official statement has been compiled from sources believed to be reliable. This official statement contains estimates and matters of opinion which are not intended as representations of fact. This official statement is not to be construed as a contract with the purchasers of the bonds.*

THE DATE OF THIS OFFICIAL STATEMENT IS  
APRIL 30, 1975

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## CONTENTS

|                                           | <i>Page</i> |
|-------------------------------------------|-------------|
| <b>Introduction</b>                       | <b>1</b>    |
| <b>The Bonds</b>                          | <b>3</b>    |
| Authority for Issuance                    | 3           |
| Terms of Sale                             | 3           |
| Description of the Bonds                  | 3           |
| Redemption Provisions                     | 4           |
| Tax Exemption                             | 4           |
| Legal Opinion                             | 4           |
| Legality for Investment                   | 4           |
| Purpose of Issue                          | 4           |
| Fiscal Agent                              | 4           |
| Security                                  | 4           |
| Pledged Revenues                          | 5           |
| Reserve Account                           | 6           |
| Disposition of Proceeds                   | 6           |
| Application of Revenues                   | 6           |
| Maintenance of Fees and Charges           | 6           |
| Issuance of Additional Bonds              | 7           |
| Maintenance and Operation                 | 7           |
| Insurance                                 | 8           |
| Reports and Accounts                      | 8           |
| Loss By Fire, Condemnation or Other Cause | 8           |
| Other Covenants                           | 8           |
| <b>The Bond Projects</b>                  | <b>9</b>    |
| New Revenues                              | 9           |
| <b>Bond Service and Coverage</b>          | <b>10</b>   |
| Revenue Bond Service                      | 10          |
| Revenue Bond Coverage                     | 12          |
| <b>The Port of Oakland</b>                | <b>13</b>   |
| Marine Terminals                          | 14          |
| Properties Department                     | 19          |
| Airport Department                        | 21          |
| <b>Financial Statements</b>               | <b>23</b>   |
| <b>The Financing of Port Development</b>  | <b>27</b>   |
| <b>The San Francisco Bay Area</b>         | <b>29</b>   |

### TABLES

|                                                    |    |
|----------------------------------------------------|----|
| Table 1a. Revenue Bond Service, \$10,000,000 Issue | 10 |
| Table 1b. Revenue Bond Service, \$18,000,000 Issue | 11 |
| Table 2. Net Income and Revenue Bond Coverage      | 12 |
| Table 3. Major Marine Terminal Agreements          | 15 |
| Table 4. Comparative Income and Expense            | 23 |
| Table 5. Operating Revenues and Expenses           | 24 |
| Table 6. Balance Sheet, June 30, 1974 and 1973     | 25 |
| Table 7. Selected Economic Indicators              | 30 |



## INTRODUCTION

The Port of Oakland is an independent agency of the City of Oakland, California, with jurisdiction over the Port Area. It is responsible for the operation of City-owned harbor and airport facilities and it has exclusive control of all Port revenues and of proceeds of all bond sales for harbor and airport improvements. The Board of Port Commissioners is empowered to issue revenue bonds for harbor and airport improvements under Oakland City Charter provisions approved by the voters.

The Port serves primarily the San Francisco-Oakland Metropolitan Area, one of the west coast's chief industrial areas and the principal distribution center for northern California and much of the western United States. The nine counties of the San Francisco Bay Area had a population estimated at 4,839,000 in 1974, nearly 25% of the state total.

The Port of Oakland is one of the world's leading containership ports and the largest such on the Pacific Coast. Its growth in containerized cargo has been spectacular, continuing in every year from 375,000 tons in 1965 to over 5,600,000 tons in 1974. Oakland now shares with Los Angeles and Long Beach the Pacific Coast leadership in general cargo tonnage.

All three of the Port's revenue producing departments—marine terminals, airport, and properties—have shown a steady increase in revenues for many years. For the fiscal year 1973/74, both gross and net operating revenues were again the highest on record. And for the year ended March 31, 1975, this record was again broken, with net revenues 18% above those of 1973/74.

The Port has adopted a capital improvement program involving the issuance of \$18,000,000 in additional bonds. Bond proceeds are proposed to be applied primarily to the development of a new container

terminal, to construction of a container freight station, and to improvements at the airport.

Series M Bonds are being offered in the total principal amount of either \$10,000,000 or \$18,000,000. Bids are invited on both amounts, with the choice to be made by the Board of Port Commissioners after the bids are received. Should the issue be limited to \$10,000,000, a supplementary \$8,000,000 issue is expected to be offered in approximately a year.

The 1957 Revenue Bonds are secured by an exclusive pledge of all gross revenues from facilities constructed from the bond proceeds and of net revenues from certain other facilities. Upon issuance of \$18,000,000 Series M Bonds, there would be outstanding \$74,255,000 of the Port's 1957 Revenue Bonds. For the year ended March 31, 1975, total net revenues available for service of these bonds amounted to \$10,965,000, covering the proposed maximum annual revenue bond service requirement 1.84 times.







*The tower and terminal building at Oakland International Airport.*



*Pacific Australia Direct Line offers roll-on/roll-off service at the Seventh Street Terminal.*



## THE BONDS

### Authority for Issuance

The Port of Oakland 1957 Revenue Bonds ("the revenue bonds") were authorized by Resolution No. 10378 of the Board of Port Commissioners adopted January 21, 1957 ("the Resolution"). Basic covenants of the Board, application of revenues, and limitations on additional debt are included in this Resolution. Specific authority for issuance of the Port Revenue Bonds is found in Sections 617(1) to 618(10), inclusive, of the Oakland City Charter, approved by the voters in 1968, incorporating the provisions of Section 222(1) to 223(10), inclusive, of the prior charter.

The Series M Bonds (the bonds") are being issued pursuant to a resolution of the Board to be adopted on May 21, 1975.

### Terms of Sale

Bids for the bonds will be received by the Board of Port Commissioners up to the hour of 10:00 a.m. on May 21, 1975, at its office at 66 Jack London Square, Oakland, California. Details of the terms of sale will be found in the Official Notice of Sale adopted by the Board on April 30, 1975.

### Description of the Bonds

The Series M Bonds are being issued in the amount of either \$10,000,000 or \$18,000,000. They are numbered M1 to M2000 or M3600, each in the denomination of \$5,000. They will be issued in coupon form and will be registrable either as to principal only or as to both principal and interest, with the privilege of discharge from registration. The bonds are dated February 1, 1975, and mature and become payable on August 1 as shown in the adjoining maturity schedule.

Interest is payable annually on February 1, 1976, and semiannually on August 1 and February 1 thereafter. Interest and principal are payable at the office of the City Treasurer of the City of Oakland, at the Oakland Main

### SERIES M MATURITY SCHEDULE

| <i>Maturity<br/>August 1</i> | <i>Principal Amount</i>       |                               |
|------------------------------|-------------------------------|-------------------------------|
|                              | <i>\$10,000,000<br/>Issue</i> | <i>\$18,000,000<br/>Issue</i> |
| 1976                         | \$ 350,000                    | \$ 350,000                    |
| 1977                         | 350,000                       | 350,000                       |
| 1978                         | 200,000                       | 200,000                       |
| 1979                         | 200,000                       | 200,000                       |
| 1980                         | 250,000                       | 250,000                       |
| 1981                         | 250,000                       | 250,000                       |
| 1982                         | 300,000                       | 300,000                       |
| 1983                         | 300,000                       | 300,000                       |
| 1984                         | 300,000                       | 300,000                       |
| 1985                         | 300,000                       | 300,000                       |
| 1986                         | 350,000                       | 350,000                       |
| 1987                         | 350,000                       | 350,000                       |
| 1988                         | 400,000                       | 400,000                       |
| 1989                         | 400,000                       | 400,000                       |
| 1990                         | 450,000                       | 450,000                       |
| 1991                         | 500,000                       | 500,000                       |
| 1992                         | 500,000                       | 500,000                       |
| 1993                         | 550,000                       | 550,000                       |
| 1994                         | 550,000                       | 550,000                       |
| 1995                         | 600,000                       | 600,000                       |
| 1996                         | 2,550,000                     | 5,400,000                     |
| 1997                         | —                             | 5,150,000                     |



Office of Bank of America NT & SA, Fiscal Agent of the Board of Port Commissioners for these bonds, and at the Chase Manhattan Bank N. A. in New York City, New York, and Harris Trust and Savings Bank in Chicago, Illinois.

### Redemption Provisions

The bonds maturing on or before August 1, 1980 are not redeemable before maturity.

The bonds maturing on or after August 1, 1981 are subject to call and redemption at the option of the Board on February 1, 1981, or on any interest payment date thereafter as a whole or in part, in inverse order of maturity and by lot within a maturity, upon payment of the principal amount and the premium shown below.

#### PREMIUMS AND REDEMPTION YEARS

| <i>Premium</i> | <i>Redemption Year</i> |
|----------------|------------------------|
| 2 %            | 1981                   |
| 1½ %           | 1982                   |
| 1 %            | 1983                   |
| ½ %            | 1984                   |
| 0              | 1985 to 1996           |

Notice of redemption is to be published in Oakland and, in a financial newspaper of general circulation, in New York City, with the first publication not less than 30 nor more than 60 days prior to the date of redemption. Copies of the notice of redemption are to be mailed to the Fiscal Agent, to the original purchasers of the bonds, and to the holders of any registered bonds designated for redemption.

### Tax Exemption

In the opinion of bond counsel, under existing statutes, regulations and court decisions, interest on the bonds is exempt from all present Federal income taxes and from State of California personal income taxes; and the bonds are exempt from all California taxes except inheritance, gift, and franchise taxes.

### Legal Opinion

The legal opinion of Messrs. Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, approving the validity of the bonds, will be supplied free of charge to the original purchasers of the bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

### Legality for Investment

These bonds are believed to be legal investments in California for all trust funds and for the funds of all insurance companies, commercial and savings banks, trust companies, the State school funds, and any public or private funds which may be invested in county, municipal, or school district bonds, and may be deposited as security for the performance of any act whenever the bonds of any county, municipality or school district may be so deposited, and may also be used as security for the deposit of public moneys in banks in the State.

Requests for a certificate of suitability for investment by savings banks were filed by the Board with the Superintendent of Banks of the State of California for bonds of Series A to L and were approved. A similar request will be filed for Series M.

### Purpose of Issue

The Series M Bonds are being sold to provide funds for the acquisition, construction, and completion of revenue-producing facilities, as discussed below; for reimbursement to the Board of funds previously advanced; for payment of incidental expenses; and for deposit in the Bond Reserve Account created pursuant to the Resolution.

### Fiscal Agent

The Oakland Main Office of Bank of America NT & SA has been appointed Fiscal Agent for the Port of Oakland 1957 Revenue Bonds, and has served in this capacity since delivery of the Series A Bonds in 1957. The Fiscal Agent will authenticate the Series M Bonds prior to delivery. The Fiscal Agent receives monthly payments out of Port revenues and pays interest and principal on all revenue bonds when due. The Fiscal Agent has custody of the Reserve Account and performs other duties as specified in the Resolution.

### Security

All series of the 1957 Revenue Bonds are equally secured by an exclusive pledge of all revenues (as defined below), subject to the right of the Board to use surplus revenues for other purposes. The bonds are not secured by the taxing power of the City of Oakland.

All revenues pledged to the bonds are deposited with the City Treasurer in the Port Revenue Fund, from which monthly transfers are made to the bond service accounts maintained by the Fiscal Agent.

A separate Reserve Account is maintained sufficient for payment of the maximum combined annual bond service of all series of the 1957 Revenue Bonds.

The Board has covenanted that it will maintain rates and charges sufficient to produce annual net revenues of at least one and one-half times the total revenue bond service requirement for the ensuing year.

The following subsections discuss the chief provisions established to secure payment of the bond principal and interest.



## Pledged Revenues

Revenues pledged to the revenue bonds are defined in Section 618(4) of the Oakland City Charter approved in 1968 (incorporating the provisions of Section 223(4) of the prior charter) and comprise:

1. Gross revenues of the Project (all facilities acquired, constructed, or completed with revenue bonds).
2. Gross revenues of any additions to or improvements of the Project, whether or not financed with bond funds. (All of the Oakland International Airport has been included in the Project by Resolution No. 13192 of the Board.)
3. Net revenues of all Existing Facilities, with net revenues determined by deducting costs of operation and maintenance from gross revenues

but without allowance for depreciation or obsolescence. Existing Facilities are defined as all facilities of the Port on January 21, 1957, and all later extensions or improvements to these facilities. By resolution of the Board, all facilities so far constructed, with the exceptions discussed below, are deemed to be either Project or Existing Facilities.

(In 1973/74, gross revenues of the Project, including interest, amounted to \$13,973,163; and net revenues from Existing Facilities were \$1,997,382.)

The Port is empowered to finance the construction of new facilities by incurring indebtedness other than its 1957 Revenue Bonds. Such indebtedness may be secured by the pledge of revenues from the facilities built, or by a lien upon revenues of the Port Revenue Fund junior to that of the 1957 Revenue Bonds.

Income from the following facilities is not pledged to the 1957 Revenue Bonds:

The Seatrain Lines marine terminal (now assigned to American President Lines) acquired from proceeds of a \$20,000,000 Certificate issue in 1971.

An \$800,000 golf course on Port Property, leased to the City of Oakland.

Thirty acres in the Port's industrial park, developed from proceeds of a \$1,000,000 federal grant and of \$700,000 in junior revenue bonds.

In December, 1972, the Port issued \$8,740,000 Series K Bonds to refund \$8,500,000 Series J Bonds. Proceeds of the sale are being held in trust (pending the retirement of the Series J Bonds) and are invested in federal securities the interest on which is pledged to the Series K Bonds only and not to the 1957 Revenue Bonds.



*Drawing of the proposed Outer Harbor Container Terminal, the major current bond project.*



## Reserve Account

The Resolution provides for creation and maintenance of a Reserve Account as additional security for all series of the 1957 Revenue Bonds. This account is to be held by the Fiscal Agent to be drawn upon to pay interest and principal on these bonds in the event that no other funds are available for the purpose.

The Reserve Account must contain at all times a balance equal to at least the maximum annual bond service requirement (interest and principal or minimum sinking fund payments) for all outstanding 1957 Revenue Bonds. A deposit will be made into the Reserve Account, from proceeds of Series M Bonds, to raise it to the level required to include the Series M bond service requirements.

Money in the Reserve Account may be invested in United States Government securities and the income is pledged to the security of the bonds.

## Disposition of Proceeds

Money received from the sale of Series M Bonds will be applied as follows:

1. *Interest Account.* Accrued interest paid by the purchasers of the Series M Bonds is to be paid to the Fiscal Agent for deposit in the Interest Account.
2. *Reserve Account.* The amount required to make the Reserve Account balance equal to the maximum bond service required for all revenue bonds payable in any future year is to be paid to the Fiscal Agent for deposit in the Reserve Account.
3. *Construction Account.* The balance of the proceeds remaining after payments to the Interest and Reserve Accounts is to be deposited in the "Port of Oakland 1975 Project Construction Account." Funds in this account will be used for the acquisition, construction, and completion of improvements to the Project. Any

balance remaining in the 1975 Project Construction Account on August 2, 1978 is to be deemed to be revenues and deposited in the Port Revenue Fund and used as provided for in the Resolution.

## Application of Revenues

Under terms of the Oakland City Charter, all income and revenues of Port operations pledged to the revenue bonds are deposited in the City Treasury in the Port Revenue Fund and paid out on order of the Board.

The Resolution established accounts and a flow of funds which are applicable to all series of the 1957 Revenue Bonds. Interest and principal for all series are payable from the same accounts, and the Reserve Account secures all series of bonds.

The Resolution provides that on or before the tenth business day of each month payments are to be made from the Port Revenue Fund to the Fiscal Agent in the following amounts and in the following priority (the effect of which is to set aside the necessary funds more than one month before interest payments are due, and more than two months before principal payments and sinking fund redemptions are due):

1. *Interest Account.* One-fifth of the amount of semiannual interest becoming due and payable on all outstanding revenue bonds in the next six months until the full amount of semiannual interest to become due has been paid into this account.
2. *Principal and Sinking Fund Account.* One-tenth of the principal amount of revenue bonds of all series due and payable in the next twelve months, plus one-tenth of the amount required to be deposited as Annual Sinking Fund Account Payments in the next twelve months, until the amount in this account is sufficient to pay these amounts in full. Sinking Fund Account Payments are required for Series A, B, C, D, E, H, and L. Maturity schedules have been estab-

lished so that serial maturities and required sinking fund deposits do not occur in the same year for any one series.

3. *Reserve Account.* Any amount necessary to restore the Reserve Account to the balance required by the Resolution.

Remaining revenues are designated by the Resolution as "Surplus Revenues in the Port Revenue Fund." After the payments to the Fiscal Agent for interest, principal, sinking fund, and reserve of the 1957 Revenue Bonds have been made, these Surplus Revenues are to be applied as required to payment of the interest and principal of the bonds secured by Surplus Revenues. The balance then remaining may be spent for any of the purposes permitted by the City Charter. Without limiting the generality of these purposes, the Resolution provides also that Surplus Revenues may be used to pay costs of maintenance and operation of the Project, or for payment to the Fiscal Agent for the purpose of purchasing or calling and redeeming outstanding bonds.

Surplus Revenues may be spent immediately after each month's required payments to the Fiscal Agent have been made, and the Board is required to account separately for revenues and to report quarterly on the deposits of revenues into the Port Revenue Fund and their allocation to accounts (interest, principal and sinking fund, and reserve).

## Maintenance of Fees and Charges

Section 5.01 of the Resolution provides that the Board covenants and agrees that, as long as any of the revenue bonds are outstanding, it will establish and maintain rates and charges for its facilities and services sufficient to produce annual net revenues equal to at least one and one-half times the bond service requirements for the ensuing year. Bond service includes interest, maturing principal, and minimum sinking fund payments, if any.





*The Industrial Park covers more than 300 acres of land near Oakland International Airport.*

The Board may adjust rates and charges and establish rules for the use of its facilities, but the Board covenants that any action taken to reduce rates or to permit free use of any facilities will not limit or diminish the basic obligation of the Board to maintain a coverage of one and one-half times bond service requirements.

Revenue bonds are secured by gross revenues from Project facilities (those constructed entirely or in part with revenue bond funds) and by net revenues from Existing Facilities. The covenants requiring maintenance of coverage equal to at least one and one-half times bond service are based, however, on net revenues from both the Project and Existing Facilities.

#### **Issuance of Additional Bonds**

Resolutions No. 10378 and 17345 of the Board cover issuance of additional revenue bonds on a parity with those outstanding. These conditions have been or will be complied with prior to delivery of Series M Bonds and must be complied with prior to delivery of any subsequent series of bonds:

1. The maturity date of the last bonds to mature must not be earlier than the last maturity date of the bonds of any

series then outstanding; serial maturities or annual sinking fund payments sufficient to retire all bonds at or before maturity must be established for each series of bonds; and the bonds must mature only on August 1 of any year.

2. The Board is required, at or prior to delivery of additional bonds, to file with the Fiscal Agent a statement of the improvements or extensions of the Project for which the additional bonds are proposed to be issued and their estimated costs, recommending them as economically and financially feasible.
3. Resolution No. 10378 provides that either (a) the net revenues for the twelve-month period ending at the end of the calendar quarter next preceding delivery of the additional bonds, or (b) the estimated net revenues for the twelve-month period beginning with the calendar quarter in which additions or extensions to the Project are put in operation must be equal to at least one and one-half times the maximum combined annual debt service on the outstanding revenue bonds of all series including the additional bonds to be issued.

Resolution No. 17345 makes the additional requirement that either (a) the

net revenues for the twelve-month period ending at the end of the calendar quarter next preceding delivery of the additional bonds, or (b) such net revenues plus 75% of the estimated additional annual net revenues from facilities to be constructed from proceeds of the additional bonds must be equal to at least one and one-half times the maximum combined annual debt service on the outstanding revenue bonds of all series, including the additional bonds to be issued.

If estimates of future revenues are used in determining whether additional bonds can be issued, these estimates must be made by an independent engineer or certified public accountant; and Resolution No. 17345 provides that they are to be estimates of the average additional annual net revenues in the first 36 months of operation of the new facilities.

#### **Maintenance and Operation of Project and Existing Facilities**

The Board covenants that the Project and Existing Facilities will at all times be operated and maintained in an efficient and economical manner and that all necessary repairs and improvements will be made as needed. The Board agrees to comply with all lawful orders of any governmental agency



having jurisdiction over any Port facilities and to pay or cause to be paid any taxes or assessments on the facilities or any other lawful charges which, if unpaid, might impair the security of the bonds.

The Board covenants that it will establish and maintain such reasonable rules and regulations as will insure the maximum practicable occupancy and use of the facilities and services of the Port and produce the maximum available revenues.

The Resolution provides that the Board may abandon any facilities which are part of the Project or of Existing Facilities or may discontinue or change the use of any such facilities if the annual net revenues produced by the remaining facilities in the preceding twelve months are sufficient to provide coverage of at least one and one-half times annual debt service requirements in the ensuing twelve months.

#### **Insurance**

The Resolution provides for insurance against losses of various kinds, as specified in Section 7.06. The following coverages are specifically required:

Title insurance on any real property purchased or acquired by the Board as part of the Project.

Fire and extended coverage insurance of 90% of full insurable value or to the greatest amount obtainable if less than 90%.

Fidelity insurance or fidelity bonds covering all employees receiving or handling Port revenues in an amount sufficient to cover the maximum amount of revenues received or handled daily by each such employee.

Public liability insurance in an amount of not less than \$100,000 for injuries to any one person and \$300,000 for injuries in any one accident and property damage insurance in an amount not less than \$100,000, except at Oakland International Airport. Minimum limits for insurance at the airport are \$100,000, \$500,000, and \$500,000, respectively. (The Port actually now carries

public liability insurance in the amount of \$46,000,000 per occurrence for bodily injury and property damage.)

In the event that the Board fails to take out or maintain insurance as required in the Resolution, the Fiscal Agent may do so and pay for insurance out of the Reserve Account.

#### **Reports and Accounts**

The Board is required by the Resolution to maintain accurate books and records showing all revenues received from and all expenditures relating to the Project and Existing Facilities. The City is required by law to maintain books and records showing all moneys in all funds and accounts in its custody, including the Port Revenue Fund.

Within 90 days after the close of each fiscal year (June 30) the Board is to file with the Fiscal Agent a statement of revenues and expenditures for the fiscal year and a balance sheet taken at the close of the fiscal year, accompanied by a statement of an independent certified public accountant. A consolidated summary of the statement and balance sheet is to be published in the city's official newspaper within 120 days after the end of each fiscal year, and copies of the summary are to be made available upon request to holders of the bonds and to others interested in them.

In addition, within 50 days after the close of each calendar quarter, the Board's principal accounting officer is required to make a written report of revenues received from the Project and Existing Facilities during that quarter and the amounts required to be paid over to the Fiscal Agent to be held in the interest, principal and sinking fund, and reserve accounts. Copies of this report are to be filed with the Fiscal Agent and with the City Auditor and Treasurer.

#### **Loss by Fire, Condemnation or Other Cause Beyond Control of Board**

In the event of loss of any part of the Project or Existing Facilities by fire or similar cause beyond the control of the Board, insurance proceeds are to be

set aside and applied either to the reconstruction or restoration of the facilities damaged or destroyed or to the acquisition or construction of new revenue-producing facilities.

Similarly, in the event any part of the Project or Existing Facilities is taken by condemnation, the proceeds are to be applied to replacement of facilities lost or to the construction of new revenue-producing facilities. Facilities acquired or built to replace property lost by fire or condemnation are to be considered part of the Project or of the Existing Facilities, depending on the status of the original facilities.

The effect of these provisions is to provide for replacement of revenues lost through causes beyond control of the Board while still allowing the Board discretion in determining how revenues are to be produced.

#### **Other Covenants**

In addition to the specific covenants recited above, the Board agrees in the Resolution that:

1. It will punctually pay or cause to be paid the principal of and interest on the bonds, together with any premiums in strict conformity with the terms of the bonds and of the Resolution.
2. It will not encumber or permit to be encumbered by mortgage, lien or otherwise any property or moneys used in connection with or applicable to the Project, the Existing Facilities of the Port, or the bonds. The Board may lease any portion of the Project or Existing Facilities pursuant to the charter, provided that gross revenues of Project leases and net revenues of leases of Existing Facilities are pledged to the security of the bonds.

The Resolution can be modified or amended only with the consent or approval of the holders of two-thirds of the bonds. Obligations to pay interest and principal of any bond when due cannot be modified without the consent of the holder of that bond.



## THE BOND PROJECTS

The Board has given approval to a capital improvement program which includes the bond projects summarized below. Further approval of individual projects prior to award of contracts must be obtained. The program involves the issuance of \$18,000,000 of additional bonds. (Should the Series M Bonds be issued in the amount of \$10,000,000, the remaining \$8,000,000 is expected to be issued in approximately a year.)

Proceeds of the Port's \$12,500,000 Series L Bonds, sold in February, 1974, were largely allocated to the initial development of a new three-berth container terminal in the Port's Outer Harbor. About half of the proposed bond proceeds are for the continued development of this terminal which when completed in early 1977 will include 1,750 linear feet of concrete wharf, 42 acres of container yard and two 40-ton container cranes. Series M will provide funds for the completion of the wharf, container yard and purchase of two cranes.

The new container terminal construction has created an estimated need for a conveniently located container freight station. Most of the cost of this construction is to be paid from the proposed bond proceeds.

At the airport further improvements are planned to accommodate a projected increase in passenger traffic, and for runway and taxiway upgrading.

### New Revenues

The completion of the three-berth container terminal will generate revenues estimated at approximately \$1,600,000 annually commencing in early 1977. Revenues from the two cranes which will be provided by the Port, together with increases in rentals for other Port cranes are estimated at \$700,000 per year.

The Container Freight Station will generate approximately \$500,000 of annual revenue in 1977.

Improvement costs for the airport should be recovered from future rate increases in landing fees and space rentals.

Other work currently under way at the Port includes the construction of a restaurant and shop complex at Jack London Square, a Cost-Plus facility at the Square, the near completion of the U. S. Lines office building, and improvements to the yards and cranes at the Middle Harbor Terminals. In all, these projects should add a minimum of \$350,000 annually to Port revenues (plus a percentage of gross sales in the restaurants).

Work now in progress, together with the proposed bond projects, is thus conservatively expected to produce additional net revenues of over \$3,150,000 annually by 1977, exclusive of benefits from airport improvements.

### PROJECTED APPLICATION OF PROPOSED BOND PROCEEDS

|                                                           |                    |
|-----------------------------------------------------------|--------------------|
| Container terminal, second stage                          | \$ 2,850,000       |
| Two container cranes                                      | 5,650,000          |
| Container freight station and container yard improvements | 3,500,000          |
| Airport runway and taxiway improvements                   | 1,300,000          |
| Airport terminal expansion, first phase                   | 2,750,000          |
| Miscellaneous projects                                    | 275,000            |
|                                                           | <hr/> \$16,325,000 |
| Reserve Fund deposit                                      | 1,400,000          |
| Reserve for bond discount                                 | 200,000            |
| Incidental costs                                          | 75,000             |
|                                                           | <hr/> \$18,000,000 |



## BOND SERVICE AND COVERAGE

### Revenue Bond Service

Tables 1a and 1b show annual bond service requirements for the Port's 1957 Revenue Bonds (giving effect to the refunding of Series J in 1980).

Assuming an interest rate of 7% for the \$18,000,000 Series M, the maximum annual bond service requirement would be \$5,955,860 in 1982/83.

**TABLE 1a**  
**PORT OF OAKLAND**  
**ESTIMATED 1957 REVENUE BOND REQUIREMENTS**

| Year<br>Ending<br>June 30 | Existing<br>Bond<br>Service | \$10,000,000 Series M       |                                    | Grand Total<br>Bond<br>Service |
|---------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|
|                           |                             | Interest<br>Estimated at 7% | Principal<br>Maturing <sup>①</sup> |                                |
| 1975                      | \$ 4,305,502                | \$ —                        | \$ —                               | \$ 4,305,502                   |
| 1976                      | 4,306,258                   | 700,000                     | —                                  | 5,006,258                      |
| 1977                      | 4,305,358                   | 687,750                     | 350,000                            | 5,343,108                      |
| 1978                      | 4,311,954                   | 663,250                     | 350,000                            | 5,325,204                      |
| 1979                      | 4,510,560                   | 644,000                     | 200,000                            | 5,354,560                      |
| 1980                      | 4,507,658                   | 630,000                     | 200,000                            | 5,337,658                      |
| 1981                      | 4,505,452                   | 614,250                     | 250,000                            | 5,369,702                      |
| 1982                      | 4,519,949                   | 596,750                     | 250,000                            | 5,366,699                      |
| 1983                      | 4,518,360                   | 577,500                     | 300,000                            | 5,395,860                      |
| 1984                      | 4,517,112                   | 556,500                     | 300,000                            | 5,373,612                      |
| 1985                      | 4,511,054                   | 535,500                     | 300,000                            | 5,346,554                      |
| 1986                      | 4,521,618                   | 514,500                     | 300,000                            | 5,336,118                      |
| 1987                      | 4,524,322                   | 491,750                     | 350,000                            | 5,366,072                      |
| 1988                      | 4,521,527                   | 467,250                     | 350,000                            | 5,338,777                      |
| 1989                      | 4,524,704                   | 441,000                     | 400,000                            | 5,365,704                      |
| 1990                      | 4,523,990                   | 413,000                     | 400,000                            | 5,336,990                      |
| 1991                      | 4,529,778                   | 383,250                     | 450,000                            | 5,363,028                      |
| 1992                      | 4,531,127                   | 350,000                     | 500,000                            | 5,381,127                      |
| 1993                      | 4,531,430                   | 315,000                     | 500,000                            | 5,346,430                      |
| 1994                      | 4,539,705                   | 278,250                     | 550,000                            | 5,367,955                      |
| 1995                      | 4,544,198                   | 239,750                     | 550,000                            | 5,333,948                      |
| 1996                      | 4,557,160                   | 199,500                     | 600,000                            | 5,356,660                      |
| 1997                      | —                           | 89,250                      | 2,550,000                          | 2,639,250                      |
|                           | \$98,668,776                | \$10,388,000                | \$10,000,000                       | \$119,056,776                  |

① Callable on or after February 1, 1981.



**TABLE 1b**  
**PORT OF OAKLAND**  
**ESTIMATED 1957 REVENUE BOND REQUIREMENTS**

| <i>Year<br/>Ending<br/>June 30</i> | <i>Existing<br/>Bond<br/>Service</i> | <i>\$18,000,000 Series M</i>        |                                           | <i>Grand Total<br/>Bond<br/>Service</i> |
|------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------|-----------------------------------------|
|                                    |                                      | <i>Interest<br/>Estimated at 7%</i> | <i>Principal<br/>Maturing<sup>①</sup></i> |                                         |
| 1975                               | \$ 4,305,502                         | \$ —                                | \$ —                                      | \$ 4,305,502                            |
| 1976                               | 4,306,258                            | 1,260,000                           | —                                         | 5,566,258                               |
| 1977                               | 4,305,358                            | 1,247,750                           | 350,000                                   | 5,903,108                               |
| 1978                               | 4,311,954                            | 1,223,250                           | 350,000                                   | 5,885,204                               |
| 1979                               | 4,510,560                            | 1,204,000                           | 200,000                                   | 5,914,560                               |
| 1980                               | 4,507,658                            | 1,190,000                           | 200,000                                   | 5,897,658                               |
| 1981                               | 4,505,452                            | 1,174,250                           | 250,000                                   | 5,929,702                               |
| 1982                               | 4,519,949                            | 1,156,750                           | 250,000                                   | 5,926,699                               |
| 1983                               | 4,518,360                            | 1,137,500                           | 300,000                                   | 5,955,860                               |
| 1984                               | 4,517,112                            | 1,116,500                           | 300,000                                   | 5,933,612                               |
| 1985                               | 4,511,054                            | 1,095,500                           | 300,000                                   | 5,906,554                               |
| 1986                               | 4,521,618                            | 1,074,500                           | 300,000                                   | 5,896,118                               |
| 1987                               | 4,524,322                            | 1,051,750                           | 350,000                                   | 5,926,072                               |
| 1988                               | 4,521,527                            | 1,027,250                           | 350,000                                   | 5,898,777                               |
| 1989                               | 4,524,704                            | 1,001,000                           | 400,000                                   | 5,925,704                               |
| 1990                               | 4,523,990                            | 973,000                             | 400,000                                   | 5,896,990                               |
| 1991                               | 4,529,778                            | 943,250                             | 450,000                                   | 5,923,028                               |
| 1992                               | 4,531,127                            | 910,000                             | 500,000                                   | 5,941,127                               |
| 1993                               | 4,531,430                            | 875,000                             | 500,000                                   | 5,906,430                               |
| 1994                               | 4,539,705                            | 838,250                             | 550,000                                   | 5,927,955                               |
| 1995                               | 4,544,198                            | 799,750                             | 550,000                                   | 5,893,948                               |
| 1996                               | 4,557,160                            | 759,500                             | 600,000                                   | 5,916,660                               |
| 1997                               | —                                    | 549,500                             | 5,400,000                                 | 5,949,500                               |
| 1998                               | —                                    | 180,250                             | 5,150,000                                 | 5,330,250                               |
|                                    | \$98,668,776                         | \$22,788,500                        | \$18,000,000                              | \$139,457,276                           |

① Callable on or after February 1, 1981.



### Revenue Bond Coverage

The Port's revenues and expenditures, summarized below, are described more fully in later sections of this statement.

The gross revenues of each of the Port's three operating departments, as well as the Port's total net operating income (before interest earned) have increased uninterruptedly in every fiscal year since 1961. This trend is continuing. Net income for the twelve months ended March 31, 1975 was again at a record level, 18% above that of the 1973/74 fiscal year.

Table 2 compares net income, after all maintenance and operating expenses (but before depreciation), with the 1957 Revenue Bond service requirements. Income not pledged to the revenue bonds has been excluded; most importantly that pledged to debt service of the Port Certificates, amounting to \$1,986,050 in 1973/74.

For the twelve months ended March 31, 1975, net income available for revenue bond service amounted to \$10,964,845, covering the proposed maximum annual bond service (\$5,955,860 in 1982/83) 1.84 times.

Annual operating surplus after revenue bond service amounted to \$4,850,250 in 1972/73, and to \$5,674,001 in 1973/74. Projects under way are scheduled to produce additional net revenue of over \$3,150,000 annually by 1977.

**TABLE 2**  
NET INCOME AND REVENUE BOND COVERAGE

| <i>Year<br/>Ended<br/>June 30</i> | <i>Revenues<sup>①</sup></i> | <i>Expenses<sup>①</sup></i> | <i>Net<br/>Operating<br/>Income<sup>①</sup></i> | <i>Revenue<br/>Bond<br/>Service</i> | <i>Coverage<br/>Ratio</i> | <i>Surplus<sup>②</sup></i> |
|-----------------------------------|-----------------------------|-----------------------------|-------------------------------------------------|-------------------------------------|---------------------------|----------------------------|
| 1964                              | \$ 3,968,356                | \$2,806,076                 | \$1,162,280                                     | \$ 465,615                          | 2.50                      | \$ 696,665                 |
| 1965                              | 4,223,958                   | 2,904,380                   | 1,319,578                                       | 526,240                             | 2.51                      | 793,338                    |
| 1966                              | 5,207,625                   | 3,130,870                   | 2,076,755                                       | 554,653                             | 3.74                      | 1,522,102                  |
| 1967                              | 6,625,747                   | 3,496,590                   | 3,129,157                                       | 660,508                             | 4.74                      | 2,468,649                  |
| 1968                              | 7,930,435                   | 4,373,919                   | 3,556,516                                       | 1,022,227                           | 3.48                      | 2,534,289                  |
| 1969                              | 10,196,853                  | 4,789,283                   | 5,407,570                                       | 1,457,116                           | 3.71                      | 3,950,454                  |
| 1970                              | 12,193,259                  | 5,656,177                   | 6,537,082                                       | 2,251,062                           | 2.90                      | 4,286,020                  |
| 1971                              | 14,237,021                  | 6,575,003                   | 7,662,018                                       | 2,889,672                           | 2.65                      | 4,772,346                  |
| 1972                              | 14,616,239                  | 5,971,514                   | 8,644,725                                       | 3,607,723                           | 2.40                      | 5,037,002                  |
| 1973                              | 15,727,867                  | 7,263,267                   | 8,464,600                                       | 3,614,350                           | 2.34                      | 4,850,250                  |
| 1974                              | 17,878,375                  | 8,590,946                   | 9,287,429                                       | 3,612,978                           | 2.57                      | 5,674,451                  |
| 1975 <sup>③</sup>                 | 20,059,488                  | 9,094,643                   | 10,964,845                                      | 5,955,860 <sup>④</sup>              | 1.84                      | 5,008,985                  |

① From Table 4, page 23.

② Available for capital outlay and other Port purposes.

③ Year ended March 31.

④ Maximum proposed annual bond service (1982/83).



## THE PORT OF OAKLAND

The City of Oakland has operated a public harbor to serve waterborne commerce since the city was incorporated in 1851. Management of the Port has been in the hands of the Board of Port Commissioners since 1927. The Board has exclusive control of all Port revenues and of proceeds of all bond sales for harbor or airport improvements.

Members of the Board are appointed by the City Council upon nomination by the Mayor. Mr. Ben E. Nutter, the Executive Director, has served the Port

since 1957. He was previously Director of Public Works and Chairman of the Board of Harbor Commissioners of Hawaii.

The Port area extends from north of the San Francisco-Oakland Bay Bridge approximately 19 miles along the Oakland side of the Oakland Estuary to the Oakland International Airport. Port facilities include five major marine terminal areas, 1,000 acres of industrial and commercial land under lease or available for lease or sale, 11,500 acres

of undeveloped land and tidelands, and the Oakland International Airport with an area of 2,500 acres. The present value of Port property is estimated at \$300,000,000; including private holdings in the Port Area, the value exceeds \$450,000,000.

Operation of the Port is divided among three revenue producing departments, Airport, Properties, and Marine Terminals, under the administration of the Executive Director and with centralized accounting, engineering and planning, purchasing, research, and legal services.



*The Middle Harbor Terminal, on the Oakland Estuary.*



## MARINE TERMINALS

The shipping of cargo in uniform sealed containers of truck-trailer size has revolutionized the marine transport industry, providing great gains in speed and economy. Modern terminal facilities require wide aprons, special cranes, large open areas for container and truck movement and parking, and convenient rail and highway access.

The Port of Oakland is exceptionally well suited to the development of containership terminals and has vigorously exploited this advantage over the last nine years. Growth in tonnage of containerized cargo, and the equally impressive growth in marine terminal revenues, are shown in the adjoining tables.

The Port of Oakland is the largest container port on the Pacific Coast and one of the largest in the world. Oakland now shares with Los Angeles and Long Beach the Pacific Coast leadership in general cargo tonnage.

There are four major terminal areas under jurisdiction of the Port of Oakland. These have 25 berths, 1,399,658 square feet of transit shed and container freight station space and 305 acres of developed open area including container storage area. Fourteen rail mounted container cranes are in operation at eleven container berths. Two mobile cranes capable of handling containers serve two additional berths for operation of semi-container vessels. Two berths are available for roll-on/roll-off vessels. The principal transit sheds as well as the container freight stations are of modern concrete and steel construction, completely sprinklered and designed for free-flowing truck traffic.

### CONTAINERIZED CARGO TONNAGE

|                |           |
|----------------|-----------|
| 1965           | 365,084   |
| 1966           | 707,748   |
| 1967           | 950,047   |
| 1968           | 1,530,518 |
| 1969           | 3,001,072 |
| 1970           | 3,650,699 |
| 1971           | 3,887,698 |
| 1972           | 4,577,451 |
| 1973           | 5,395,094 |
| 1974           | 5,670,712 |
| 1974/75 (est.) | 8,320,000 |

### MARINE TERMINALS GROSS REVENUE

|         |            |
|---------|------------|
| 1964/65 | \$ 834,699 |
| 1965/66 | 1,052,395  |
| 1966/67 | 1,583,386  |
| 1967/68 | 1,644,585  |
| 1968/69 | 2,373,712  |
| 1969/70 | 3,000,700  |
| 1970/71 | 3,467,199  |
| 1971/72 | 5,420,013  |
| 1972/73 | 6,404,255  |
| 1973/74 | 7,508,273  |

## Operating Agreements

Prior to 1957, the Port operated its terminal facilities, but since then they have been leased or assigned to private operators. Payments under the terms of the marine terminal agreements depend primarily upon dockage, wharfage, demurrage, storage, container crane rental, and other terminal tariff charges, subject in most cases to guaranteed minimum annual payments. Provisions of the principal agreements are shown in Table 3.

## Outer Harbor

The Outer Harbor area includes the Sea-Land Container Terminal, the Outer Harbor Terminal, a combination break bulk/container facility and a container freight station and public warehousing complex operated by Crescent Wharf and Warehouse.

## Sea-Land Service

The Port's first containership terminal was a 26-acre facility opened in 1962 under 20-year assignment to Sea-Land Services, Inc. Their facilities, including maintenance areas and a nearby rail/truck terminal, now cover 70 acres. There are two berths and four container cranes. Sea-Land serves the Atlantic, Gulf and Pacific Coasts, Puerto Rico and Alaska, as well as transatlantic and transpacific ports. Their transpacific service is maintained primarily by SL-7 class super container-ships. Each vessel can carry 1,096 35- or 40-foot containers at a cruising speed of 33 knots.

## Crescent Wharf & Warehouse

Crescent Wharf & Warehouse Company operates the Outer Harbor Terminal under a preferential assignment by tariff. The combination break bulk/semi-container facility has four berths of 2,245 feet length and more than 279,000 square feet of covered transit shed space. A mobile crane capable of handling 40-foot containers serves this terminal. Steamship lines which call here on a regular basis include Italian Line, Ital-Pacific Line and Lloyd Brasileiro Line.



### *New Construction*

Construction began in January of 1975 on the first phase of the Port's new Outer Harbor Container Terminal. This facility, expected to be fully operational by 1977, will be utilized primarily by a consortium of four Japanese steamship lines presently calling at the Seventh Street Terminal. Of the initial 42 acres of backup area, 29 will be assigned to the consortium; the remainder will be used as a public facility. The 1,750 foot concrete wharf will be served by two container cranes.

### **Seventh Street Terminal**

The Seventh Street Marine Terminal, the largest and most modern containership terminal on the Pacific Coast, was completed in 1971. It covers 140 acres of newly developed land, between two deep-water channels, with excellent rail and highway access. It has been designed primarily for containership operations, although break bulk cargo is also handled.

### *Matson Navigation Company*

Nearly half of the Seventh Street Terminal has been leased or is under option to Matson Navigation Company — one of the pioneers in containership operations between the Pacific Coast and Hawaii. Matson has entered into a 20-year agreement with the Port for the use of a 66-acre containership terminal including the container freight station area. The total 66-acre area includes 8 acres which are temporarily assigned to a consortium of four Japanese lines. Matson utilizes three container cranes at two berths, 1,500 feet in length. In addition, a third 730-foot berth has been developed to accommodate a new roll-on/roll-off service to Hawaii. A hide warehouse, ships stores building and a 15,000 square foot extension to a container freight station have been recently constructed. Matson has provided its own cranes, container freight station and other improvements.

**TABLE 3**  
**MAJOR MARINE TERMINAL AGREEMENTS**

| <i>Lessee or Assignee</i>                                       | <i>Annual Payments</i> |                          | <i>Term</i>      |
|-----------------------------------------------------------------|------------------------|--------------------------|------------------|
|                                                                 | <i>Minimum</i>         | <i>Maximum</i>           |                  |
| American President Lines/Seatrail Terminals of California, Inc. | \$1,800,000            | \$2,200,000 <sup>①</sup> | 30 years to 2001 |
| Japanese Line Consortium                                        | 580,939                | 580,939                  | 3 years to 1976  |
| Japanese Line Consortium <sup>②</sup>                           | 1,284,000 <sup>③</sup> | 1,672,000 <sup>③</sup>   | 25 years to 2002 |
| Matson Navigation Co.                                           | 417,205                | 417,205                  | 20 years to 1988 |
| Marine Terminals Corp. (9th Avenue)                             | 250,000                | None                     | Annual           |
| Sea-Land Service, Inc.                                          | 1,046,738              | 1,165,556                | 20 years to 1988 |
| United States Lines                                             | 554,000                | 746,000 <sup>③</sup>     | 25 years to 2000 |
| United States Lines Office Building                             | 293,000                | 293,000 <sup>③</sup>     | 25 years to 2000 |

① Approximate range of payments 1975 to 2001; major portion not pledged to the revenue bonds.

② New agreement commencing 1977.

③ Estimated.





*Some fourteen containership lines use the Seventh Street Terminal.*

Matson Navigation Company, which commenced operation in September 1968, has recently expanded its operations to include container service to Guam. Three other lines use Matson's facilities. Two Japanese lines (NYK and Showa Lines) offer container service between Japan and the Pacific Coast, and Orient Overseas Container Line serves the Far East.

#### *Oakland Container Terminal*

Four Japanese lines (Mitsui-O.S.K. Line, Yamashita-Shinnihon Line, "K" Line and Japan Line) have operated a containership facility at Seventh Street

since November 1968 under a preferential assignment agreement. This terminal has an area of 25 acres including an adjoining container freight station operated by Mitsui-O.S.K. Line and Yamashita-Shinnihon Line. The four Japanese lines' berth is served by a 30-ton container crane. In 1977, the four lines will move to the new container terminal under construction in the Port's Outer Harbor Area.

#### *Public Container Terminal*

Also at Seventh Street Terminal is a combination container and break bulk facility serving container, semi-container and roll-on/roll-off ships. The

terminal, operated by Marine Terminals Corporation, has four berths and 36 acres of container area, including a container freight station and transit shed. Two 40-ton container cranes serve this facility. Steamship lines now using the Public Container Terminal include:

- Euro-Pacific Line (consortium operation of Hapag-Lloyd and French Lines)
- Fesco Pacific Line
- Johnson ScanStar (consortium operation of Johnson Line, Blue Star and East Asiatic Co.)
- Pacific Australia Direct Lines



## **Middle Harbor**

### *American President Lines/ Seatrain Pacific Services*

Seatrain Lines established a container terminal in the Middle Harbor area when it began serving the Hawaiian trade. From a one berth 27-acre terminal, it has expanded to two berths with 45 acres of backup space and two 45-ton container cranes. In 1971 the Port of Oakland issued \$20,000,000 of certificates to purchase the terminal, and leased it back, pledging the rental payments of Seatrain to payment of the certificates. In late 1974, American President Lines, the oldest continuously operated American-flag carrier, transferred their operations from San Francisco to this terminal. The terminal agreements have been revised to assign primary use to American President Lines, and secondary use to Seatrain. American President Lines operates an extensive world-wide container service including the Atlantic and Pacific Coasts of the United States and the Far East and Southeast Asia. Seatrain operates a bi-weekly container service between California and Japan/Korea.

### *Public Container Terminal*

Adjacent to the American President Lines Terminal is a new one berth container facility, operated by Marine Terminals Corporation under management agreement. This 15-acre terminal will become the Northern California base of operation for Maersk Line beginning in August, 1975. Maersk Line which currently calls at the Port of San Francisco with a break-bulk cargo operation will convert to a weekly full container service between Oakland and the Far East.

### *United States Lines*

The third major container terminal in the Middle Harbor area is operated under terms of a preferential assignment agreement with United States Lines. This 22-acre one berth facility is served by two 51-ton container cranes.

The Pacific Coast Headquarters of United States Lines is also located at the terminal. United States Lines offers tri-continent container services between Europe, East-West U.S. Coasts, Hawaii, Guam and the Far East.

## **Inner Harbor**

### *Grove Street*

This general cargo facility, operated by Marine Terminals Corporation, is located at the foot of Grove Street on the Oakland Estuary. Berth capacity is three vessels, with 193,000 square feet of transit shed space and additional open area. Nine lines have conventional cargo handling vessels regularly calling at this facility.

### *Ninth Avenue Terminal*

Operated by Marine Terminals Corporation under a preferential assignment agreement, this three berth facility is the largest steel import center in Northern California. The present 16-acre area is being expanded to 21 acres which also includes a transit shed of 177,000 square feet. Ninth Avenue Terminal has a bulk loading facility.

## **Future Developments**

The Port of Oakland has extensive area for future expansion. There is substantial land adjacent to the Ninth Avenue Terminal and the Grove Street Terminal in the Inner Harbor Area for expansion. Conceptual drawings have been prepared for extensive modernization at both Grove Street Terminal and the Ninth Avenue Terminal. There is also a 138-acre submerged area adjacent to the Oakland Army Base south of the San Francisco-Oakland Bay Bridge. This property has been declared surplus by the United States Government. On the north side of the San Francisco-Oakland Bay Bridge is a 450-acre marine terminal site within a 1600-acre parcel of Port-controlled submerged lands.



## Transportation Facilities

Two mainline railroads, Southern Pacific and Western Pacific, terminate in Oakland and have their major Northern California rail yards within two miles of the Oakland docks. The Santa Fe Railroad serves Oakland from its major rail yards nearby in Richmond. All three railroads have reciprocal switching agreements and have direct connections to the 11 miles of dockside rails at the Port of Oakland marine facilities. Switching operations in the Outer Harbor area are performed by the Southern Pacific and by Oakland Terminal Railway, a belt line owned jointly by the Western Pacific and Santa Fe Railroad companies. The Port is especially well situated for truck service to the inland cargo tributary area, with easy access to an extensive freeway system including the transcontinental highways Interstate 80 and U.S. 50.

## Marine Commerce

Marine commerce through the Port is summarized in the adjoining table. The tonnages shown are for cargo over commercial facilities in the Port of Oakland; cargo over military facilities has been excluded. The pronounced rise in tonnage shown for 1969 includes an increase of over 1,000,000 tons at the Seventh Street Terminal, where containership operations commenced in the fall of 1968.

**CARGO TONNAGE**  
(in Thousands of Revenue Tons)

|                 | 1968  | 1969  | 1970  | 1971  | 1972  | 1973  | 1974  |
|-----------------|-------|-------|-------|-------|-------|-------|-------|
| <b>Inbound</b>  |       |       |       |       |       |       |       |
| Foreign         | 673   | 1,330 | 951   | 1,112 | 1,350 | 1,362 | 1,908 |
| Domestic        | 662   | 895   | 1,320 | 1,154 | 1,370 | 1,306 | 1,146 |
| Total           | 1,335 | 2,225 | 2,271 | 2,266 | 2,720 | 2,668 | 3,054 |
| <b>Outbound</b> |       |       |       |       |       |       |       |
| Foreign         | 1,708 | 2,790 | 2,103 | 2,307 | 2,154 | 2,635 | 2,680 |
| Domestic        | 343   | 254   | 1,224 | 1,232 | 1,661 | 1,903 | 1,641 |
| Total           | 2,051 | 3,044 | 3,327 | 3,539 | 3,815 | 4,539 | 4,321 |
| Total Tonnage   | 3,386 | 5,269 | 5,598 | 5,805 | 6,535 | 7,207 | 7,375 |

**STEAMSHIP COMPANIES SERVING THE PORT**

|                                   |                                |
|-----------------------------------|--------------------------------|
| American President Lines          | Orient Overseas Container Line |
| Argentine Lines                   | Pacific Australia Direct Line  |
| Celtic Bulk Carriers              | Pacific Far East Line, Inc.    |
| d'Amico Line                      | Paclines                       |
| Euro-Pacific joint service of     | Peruvian State Line            |
| Hapag-Lloyd and French Line       | Prudential Lines               |
| Fesco Pacific Line                | Retla Steamship Company        |
| Foss Tug and Barge                | Sanko Line                     |
| Grancolumbiana Line               | S.C.I. Line                    |
| Italian Line                      | Scindia Line                   |
| Ital-Pacific Lines                | Sea-Land Service, Inc.         |
| Japan Line                        | Seatrain Pacific Services      |
| Johnson ScanStar joint service of | Showa Line                     |
| Johnson Line, East Asiatic Co.    | States Line                    |
| and Blue Star Line                | Taiwan Navigation Company      |
| "K" Line                          | Tokai Line                     |
| Lloyd Brasileiro Line             | Toko Line                      |
| Maersk Line                       | United States Lines            |
| Matson Navigation Company         | United Yugoslav Line           |
| Mitsui-O.S.K. Lines               | Westfal-Larsen Company         |
| Nedlloyd & Hoegh                  | Yamashita-Shinnihon Line       |
| N.Y.K. Line                       |                                |



## PROPERTIES DEPARTMENT

Leases of property in the Port Area for industrial or commercial use provide the Port with a large and stable income. The Properties Department now has more than 140 leases in effect. Most leases are for ground rental only, but many include improvements owned or constructed by the Port. Leases for commercial property are generally based on a percentage of gross revenues, subject to a fixed minimum rental. Existing leases are for terms of up to 66 years.

The Properties Department also administers more than 160 leases and license agreements at the Metropolitan Oakland International Airport.

The Properties Department is responsible for maintaining insurance for all Port property. Rental value insurance is maintained covering property leased or assigned to tenants up to a total of \$5,850,000 annually. Rental value insurance provides for the continuation of payments in case of fire or other extended coverage loss for the time required to repair or reconstruct damaged facilities, up to a maximum of one year.

The Port also maintains or requires the maintenance of fire insurance with extended coverage endorsements on all Port-owned facilities. Port facilities are so widely distributed that the possibility of a major disaster that would impair the Port's basic rental income is very remote.

### *Jack London Square*

The Port of Oakland has converted a once dilapidated waterfront area into Jack London Square, now an outstanding restaurant center and tourist attraction and the site of the Port's administration building.

Restaurants in the Square include the Bow and Bell, Castaway, Elegant Farmer, Marco Polo, The Mast, Seafood Grotto, and Sea Wolf. Goodman's is a 25,000 square-foot convention and banquet building which can accommodate up to 1,000 persons at a single banquet.

Most of the restaurants overlook the Estuary. The Square has been landscaped by the Oakland Park Department and offers spacious parking areas and docking facilities for pleasure boats. The Jack London Square Marina development includes 200 berths, a boat ramp, hoist, fueling station and office building. Other tenants include a 70-unit motor lodge and boatel, gift shops, a television station, radio station, bank, ship chandlery, and U.S. Customs.

The Port's total investment in Jack London Square improvements, including the Port's administration building, is approximately \$6,000,000. The commercial facilities are leased to private operators who have made additional improvements at an estimated cost of \$4,500,000. Gross income to the Port for 1973/74 amounted to \$806,000.

Jack London Village, a new complex of shops and restaurants, will open in mid-1975 on a 2-acre site at the east side of Jack London Square. This new development represents an investment of more than \$2,000,000 by the private developer, under ground lease from the Port.

Another recent ground lease at the west side of Jack London Square will provide a one-block site for a retail store and parking lot for Cost-Plus Imports. The improvements will involve private investment of approximately \$1,000,000.

### *Embarcadero*

The Port is also redeveloping portions of waterfront land along the Oakland Estuary between Jack London Square and Embarcadero Cove. Facilities

include additional marinas, a yacht club, a new park, shops, offices, and restaurants such as The Ark, Steak Dock, Barclay Jack's, Quinn's Light-house, and Victoria Station.

### *Industrial Park*

The Port has developed a major industrial park which has become a principal source of revenues. The property adjoins the Oakland International Airport and the Oakland-Alameda County Coliseum complex and has exceptionally good rail and highway access. Approximately 300 acres have now been developed and garden-type industrial sites are offered for sale or lease. More than 200 acres have been sold or leased for development. Sales of land produce occasional nonrecurring income to the Port. Minimum annual returns from leases now amount to \$352,000.

The Edgewater-Hyatt House Hotel and the Oakland Hilton Inn are tenants in the Industrial Park.

Forty-seven sites have been sold for development, either to specific users or building developers. Approximately 190 firms now occupy 69 buildings in the Industrial Park. These include: Bank of America, Bechtel, Clorox, A. B. Dick, Grand Auto Stores, W. W. Grainger, Pitney-Bowes, Safeway Stores, Singer, Skaggs Pay Less Drugs, Sutro & Co., Wells Fargo Bank, and Westinghouse Electric. Plans call for further development.

### *Distribution Center*

A new area of approximately 175 acres adjoining the Industrial Park and Oakland International Airport has been designated for leasing to distribution and warehousing firms, especially those related to air cargo operations. The first 25 acres have been ground leased to United Parcel Service for a major distribution terminal which will open in June 1975. The present annual lease payment to the Port is \$120,000.





*Seven luxury restaurants are among the major tenants at Port-owned Jack London Square.*



*The Oakland International Airport.*



AIRPORT DEPARTMENT

The Metropolitan Oakland International Airport is an important regional center of commercial airline traffic and the airport department is the Port's leading producer of gross revenues available for the revenue bonds.

The present terminal opened in September 1962, when scheduled airlines provided only limited service and carried only 183,413 of the total of 312,884 passengers in that year. The remainder were carried mainly by supplemental airlines.

By contrast, scheduled airlines now carry 93% of the total traffic, which, for the year ended December 31, 1974, reached the new high of 2,295,871.

Nine scheduled airlines provide service between Oakland and cities throughout the United States, Canada, Mexico, Europe, the Orient and Australia. They are:

- Air California
- American Airlines
- Hughes Airwest
- Pacific Airlines
- Pacific Southwest Airlines
- SFO Helicopter Airlines
- Trans World Airlines
- United Air Lines
- Western Airlines

Three of the largest supplemental airlines are headquartered at Oakland: World Airways, Trans International Airlines and Saturn Airways.

The Port of Oakland aggressively promotes the use of Oakland International Airport with its "Fly Oakland" campaign.

Terminal facilities originally provided 10 gate positions and 8 boarding rooms. There are now 15 gate positions and 13 boarding rooms. The automobile parking area, originally of 10 acres, has been enlarged to nearly 26 acres with more than 3,200 spaces. The 10,000-foot runway, equipped with the most modern instrumentation, is being extended to 12,500 feet.

An International Arrivals Building was opened in 1973 to provide comfortable and efficient federal inspection service for jumbo jet loads of passengers. It has the capacity to handle 400 to 500 passengers an hour with 14 customs inspection counters and baggage claim facilities for 1,000 bags an hour. The building is designed for future adaptation for jet-ways or mobile lounges.

An air cargo center includes one building of 14,300 square feet, financed with the assistance of the Economic Development Administration, and another of 50,000 square feet, built and managed by Yellow Cab Company on land leased from the Port. An aircraft parking ramp serving the two buildings has space for four jet freighters.

An \$11 million jet maintenance center completed in the spring of 1973 is leased by World Airways, Inc. One of the world's largest commercial hangars, it has 296,000 square feet capable of accommodating four Boeing 747's or six DC-10's simultaneously.

All commercial airline operations were transferred to the present terminal in 1962. General aviation has developed in the area formerly used for commercial airline operations. There are now 275 aircraft based at Oakland. In addition to its 10,000-foot runway serving the commercial airport, Oakland has three runways used primarily by general aviation aircraft. These have lengths of 6,210, 3,400 and 5,520 feet, the last being equipped with high intensity approach lights and an instrument landing system. Total aircraft operations amounted to 343,016 in 1974, of which general aviation accounted for 282,091.

Five hotels and motels are convenient both to the airport and to the Coliseum complex, the center of Oakland's major sports activities. These include the 300-room Hilton Inn and the 375-room Edgewater Hyatt House, both of which are Port tenants. Other motels in the vicinity are the Holiday Inn, Royal Inn, and Edgewater West.

The primary access to Oakland Airport is provided by the six-lane Hegenberger Road with easy connections by major freeways and the bridges of the Bay to the major population and business centers of the Bay Area.

Oakland International is the only Bay Area airport served by the Bay Area Rapid Transit System, and it has also local bus service and limousine service to Oakland, Berkeley and San Francisco.

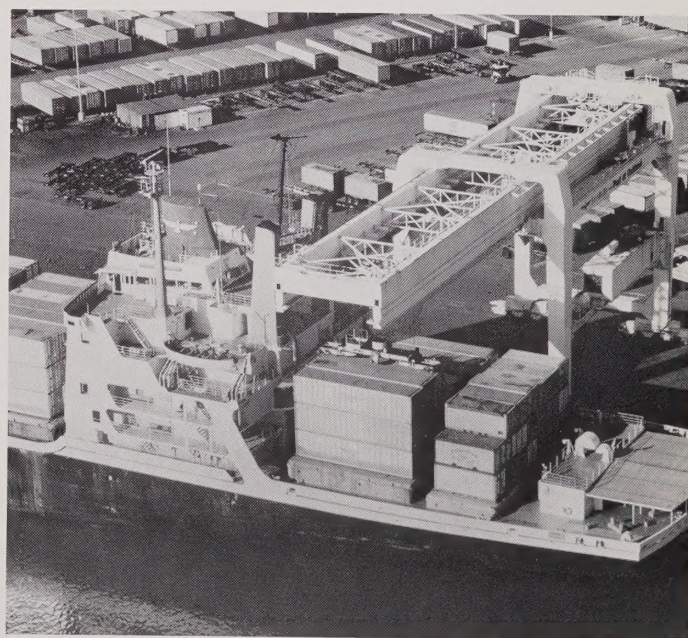
The BART Coliseum Station, less than three miles from the airport, is served approximately every 15 minutes to and from the airport by A/C transit buses. Now that transbay service is in operation, BART provides fast and easy access by public transportation from San Francisco to Oakland International.

| OAKLAND INTERNATIONAL<br>AIRPORT<br>PASSENGER TRAFFIC |                                 |
|-------------------------------------------------------|---------------------------------|
| <i>Year Ended<br/>December 31</i>                     | <i>Number of<br/>Passengers</i> |
| 1961                                                  | 274,530                         |
| 1962                                                  | 312,884                         |
| 1963                                                  | 425,650                         |
| 1964                                                  | 491,730                         |
| 1965                                                  | 966,636                         |
| 1966                                                  | 1,209,729                       |
| 1967                                                  | 1,461,543                       |
| 1968                                                  | 1,818,502                       |
| 1969                                                  | 2,146,800                       |
| 1970                                                  | 2,055,180                       |
| 1971                                                  | 2,053,769                       |
| 1972                                                  | 2,080,793                       |
| 1973                                                  | 2,226,494                       |
| 1974                                                  | 2,295,871                       |





*A corner of the Seventh Street Marine Terminal, largest and most modern containership terminal on the Pacific Coast.*



*American President Lines is the Port's newest containership line.*



## FINANCIAL STATEMENTS

A comparative balance sheet for the Port of Oakland for June 30, 1974 and 1973 is presented on page 25. Total fixed assets after depreciation were valued at \$139,780,000 as of June 30, 1974. This valuation is based on cost, except for approximately \$14,800,000 of assets shown at their 1939 appraised value. No value is assigned for lands granted by the State of California.

Statements of operating income are given in Tables 4 and 5. These show operating results of the airport, marine terminals, and properties departments, together with interest earned. Income not pledged to the revenue bonds, and expenditures which rank in priority below bond service, have been omitted from these tables.

**TABLE 4**  
COMPARATIVE INCOME AND EXPENSE

| Year<br>Ended<br>June 30 | Operating Revenues |                     |             |                    |              | Operating<br>Expense | Net<br>Operating<br>Income <sup>①</sup> |
|--------------------------|--------------------|---------------------|-------------|--------------------|--------------|----------------------|-----------------------------------------|
|                          | Airport            | Marine<br>Terminals | Properties  | Interest<br>Income | Total        |                      |                                         |
| 1960                     | \$1,192,149        | \$ 679,061          | \$1,471,587 | \$ 67,343          | \$ 3,410,140 | \$1,965,223          | \$1,444,917                             |
| 1961                     | 1,161,478          | 563,403             | 1,355,190   | 140,109            | 3,220,180    | 2,125,552            | 1,094,628                               |
| 1962                     | 1,195,557          | 587,988             | 1,368,127   | 153,547            | 3,305,219    | 2,173,248            | 1,131,971                               |
| 1963                     | 1,290,239          | 777,853             | 1,421,825   | 95,655             | 3,585,572    | 2,429,553            | 1,156,019                               |
| 1964                     | 1,559,997          | 802,400             | 1,538,387   | 67,572             | 3,968,356    | 2,806,076            | 1,162,280                               |
| 1965                     | 1,574,928          | 834,699             | 1,742,536   | 71,795             | 4,223,958    | 2,904,380            | 1,319,578                               |
| 1966                     | 2,130,499          | 1,052,395           | 1,941,187   | 83,544             | 5,207,625    | 3,130,870            | 2,076,755                               |
| 1967                     | 2,630,464          | 1,583,386           | 2,097,846   | 314,051            | 6,625,747    | 3,496,590            | 3,129,157                               |
| 1968                     | 3,270,352          | 1,644,585           | 2,348,795   | 666,703            | 7,930,435    | 4,373,919            | 3,556,516                               |
| 1969                     | 4,065,033          | 2,373,712           | 2,771,386   | 986,722            | 10,196,853   | 4,789,283            | 5,407,570                               |
| 1970                     | 4,668,931          | 3,000,700           | 3,062,015   | 1,461,613          | 12,193,259   | 5,656,177            | 6,537,082                               |
| 1971                     | 5,095,525          | 3,467,199           | 3,204,669   | 2,469,628          | 14,237,021   | 6,575,003            | 7,662,018                               |
| 1972                     | 5,384,581          | 4,012,638           | 3,358,751   | 1,860,269          | 14,616,239   | 5,971,514            | 8,644,725                               |
| 1973                     | 5,896,132          | 4,878,205           | 3,426,068   | 1,527,462          | 15,727,867   | 7,263,267            | 8,464,600                               |
| 1974                     | 6,766,783          | 5,582,223           | 3,621,549   | 1,907,820          | 17,878,375   | 8,590,946            | 9,287,429                               |
| 1975 <sup>②</sup>        | 7,155,249          | 6,895,782           | 3,818,462   | 2,189,995          | 20,059,488   | 9,094,643            | 10,964,845                              |

<sup>①</sup> Before depreciation.

<sup>②</sup> Year ended March 31.



The Port's revenues have risen steadily since 1961. For 1973/74, both gross and net revenues were again the highest on record; net operating income was \$9,287,000, covering debt service 2.57 times. For the twelve months ended March 31, 1975, the net operating income was \$10,964,845 covering the proposed maximum annual debt service (\$5,955,860 in 1982/83) 1.84 times.

Gross revenues for 1973/74 rose over those of the previous year by 15% in

the airport department, 14% in marine terminals, and 6% in the property department; all were at all-time highs. Interest income rose 25%. Expenses also rose, by 18%, but the total net income gained 10% for the year.

Current projects are expected to produce additional net revenues of some \$3,150,000 annually, as discussed previously. These additional revenues will begin to be received by the Port during 1975, but not in full until 1977.

**TABLE 5**  
OPERATING REVENUES AND EXPENSES

|                                | 1973/74     |                     |             | 1973/74<br>Total          | 1972/73<br>Total          |
|--------------------------------|-------------|---------------------|-------------|---------------------------|---------------------------|
|                                | Airport     | Marine<br>Terminals | Properties  |                           |                           |
| OPERATING REVENUES             |             |                     |             |                           |                           |
| Space rental                   | \$1,780,026 | \$ 95,270           | \$3,443,491 | \$ 5,318,787              | \$ 4,721,835              |
| Field revenue                  | 992,560     | —                   | —           | 992,560                   | 884,516                   |
| Contract fueling revenue       | 636,640     | —                   | —           | 636,640                   | 846,901                   |
| Gasoline and oil sales         | 1,127,811   | —                   | —           | 1,127,811                 | 906,872                   |
| Concessions                    | 1,867,694   | —                   | —           | 1,867,694                 | 1,518,003                 |
| Utility sales                  | 362,052     | 19,343              | 44,165      | 425,560                   | 366,175                   |
| Dockage, wharfage, etc.        | —           | 5,467,610           | —           | 5,467,610                 | 4,818,395                 |
| Jack London Square parking     | —           | —                   | 133,893     | 133,893                   | 137,708                   |
| Interest                       | —           | —                   | —           | 1,907,820                 | 1,527,462                 |
| Total                          | \$6,766,783 | \$5,582,223         | \$3,621,549 | \$17,878,375 <sup>①</sup> | \$15,727,867 <sup>①</sup> |
| OPERATING EXPENSES             |             |                     |             |                           |                           |
| General operating expenses     | \$2,288,581 | \$ 395,601          | \$ 435,588  | \$ 3,119,770              | \$ 2,496,927              |
| Maintenance                    | 1,096,542   | 728,855             | 460,690     | 2,286,087                 | 1,908,303                 |
| Advertising and promotion      | 367,416     | 449,410             | 221,072     | 1,037,898                 | 1,274,799                 |
| Cost of gasoline and oil sales | 645,419     | —                   | —           | 645,419                   | 542,063                   |
| Cost of utility sales          | 238,957     | 18,182              | 41,189      | 298,328                   | 239,814                   |
| Administrative expenses        | 426,018     | 521,092             | 256,334     | 1,203,444                 | 801,361                   |
| Total                          | \$5,062,933 | \$2,113,140         | \$1,414,873 | \$ 8,590,946              | \$ 7,263,267              |
| NET OPERATING INCOME           | \$1,703,850 | \$3,469,083         | \$2,206,676 | \$ 9,287,429 <sup>①</sup> | \$ 8,464,600 <sup>①</sup> |

① Including interest income.



**TABLE 6**  
BALANCE SHEET, JUNE 30, 1974 AND 1973

|                                            | ASSETS | 1974          | 1973          |
|--------------------------------------------|--------|---------------|---------------|
| <b>CURRENT ASSETS</b>                      |        |               |               |
| Cash                                       | \$     | 2,765,071     | \$ 1,384,535  |
| Accounts receivable and accrued revenue    |        | 1,893,704     | 1,052,586     |
| Accrued interest receivable                |        | 449,883       | 318,704       |
| Amounts receivable on                      |        |               |               |
| U. S. Government grants                    |        | 1,394,575     | 1,149,688     |
| Deposits with fiscal agent                 |        | 4,482,172     | 3,321,120     |
| Total Current Assets                       |        | 10,985,405    | 7,226,633     |
| <b>OTHER ASSETS</b>                        |        |               |               |
| Deposits with fiscal agent                 |        | 6,832,208     | 5,859,009     |
| Prepaid insurance and                      |        |               |               |
| other deferred charges                     |        | 2,150,025     | 1,883,949     |
| Deposit for refunding Series J Bonds       |        | 8,507,329     | 8,678,800     |
| Cash deposits restricted as to use         |        | 175,663       | 175,663       |
|                                            |        | 17,665,225    | 16,597,421    |
| <b>PROPERTY PLANT AND EQUIPMENT</b>        |        |               |               |
| Land                                       |        | 33,220,098    | 30,997,986    |
| Buildings, structures and improvements     |        | 115,521,507   | 112,975,849   |
| Containership cranes                       |        | 9,940,615     | 9,733,311     |
| Equipment                                  |        | 1,801,341     | 1,609,623     |
|                                            |        | 160,483,561   | 155,316,769   |
| Less allowance for                         |        |               |               |
| accumulated depreciation                   |        | 25,938,977    | 23,269,032    |
|                                            |        | 134,544,584   | 132,047,737   |
| Construction in progress                   |        | 5,234,959     | 2,797,160     |
| Unexpended revenue bond                    |        |               |               |
| construction funds                         |        | 19,981,784    | 13,627,347    |
|                                            |        | 159,761,327   | 148,472,244   |
|                                            |        | \$188,411,957 | \$172,296,298 |
| <b>LIABILITIES AND EQUITY</b>              |        |               |               |
| <b>CURRENT LIABILITIES</b>                 |        |               |               |
| Trade accounts payable and                 |        |               |               |
| other accrued expenses                     | \$     | 3,315,374     | \$ 2,831,280  |
| Contract retentions payable                |        | 364,577       | 617,972       |
| Long-term indebtedness payable             |        |               |               |
| within one year                            |        | 2,105,000     | 1,755,000     |
| Accrued interest on long-term indebtedness |        | 2,625,659     | 1,798,440     |
| Total Current Liabilities                  |        | 8,410,610     | 7,002,692     |
| <b>OTHER LIABILITIES</b>                   |        |               |               |
| Long-term indebtedness,                    |        |               |               |
| less amounts payable within one year       |        | 95,288,000    | 84,913,000    |
| Tenant deposits,                           |        |               |               |
| deferred income and other                  |        | 1,453,207     | 1,024,308     |
| Liability to U. S. Government              |        | 1,142,105     | 1,220,000     |
| Reserve for maintenance and                |        |               |               |
| harbor dredging                            |        | 577,818       | 546,943       |
|                                            |        | 98,461,130    | 87,704,251    |
| Equity                                     |        | 81,540,217    | 77,589,355    |
|                                            |        | \$188,411,957 | \$172,296,298 |





*The Public Container Terminal, a part of the Seventh Street Marine Terminal.*



*Straddle-carrier in operation at Johnson Scan-Star's Seventh Street Terminal Berth.*



## THE FINANCING OF PORT DEVELOPMENT

The facilities of the Port of Oakland on June 30, 1974 had a cost (or value as appraised in 1939) of \$165,718,520. Approximately 23% of this amount is represented by commercial and industrial property, 35% by the airport, and 42% by marine terminals. The property has a present value estimated at over \$300,000,000. It was financed by Port revenues, governmental grants, and by a total of \$114,943,000 in bond issues.

### City of Oakland Bonds

The City of Oakland has issued two series of general obligation bonds to finance Port activities, \$9,784,000 of 1925 Harbor Improvement Bonds and \$10,000,000 of 1955 Airport Bonds. Proceeds of these issues were deposited with the Port and were applied to the construction of the Outer Harbor Terminal, the Grove Street Terminal, and the Ninth Avenue Terminal, and to the development of the Oakland International Airport. All of the Harbor Improvement Bonds have now matured. There remain outstanding \$1,920,000 of the Airport Bonds. These bonds were issued as obligations of the City of Oakland, secured by the power of taxation, and are not obligations of the Port of Oakland. Since June 30, 1968, however,

the Port has paid the principal and interest on the Airport Bonds; for 1974/75 the payment will amount to \$525,670.

### Port of Oakland Bonds

#### 1957 Revenue Bonds

In 1957, the Port began to use revenue bonds to finance the construction of certain revenue producing facilities in the Port Area. These facilities are part of the Project, as is the entire Oakland International Airport (by resolution of the Board). These revenue bonds are secured by the pledge of gross revenues of all Project facilities, and of the net revenues of all Existing Facilities.

Upon sale of \$18,000,000 Series M, and excluding Series J (being refunded by Series K), there would be outstanding \$74,255,000 of the Port's 1957 Revenue Bonds.

#### Special and Junior Lien Revenue Bonds

Under agreements with the Economic Development Administration, the Port has issued \$9,359,000 of bonds secured by a lien on Surplus Revenues in the Port Revenue Fund (after provision has been made for service of the 1957 Revenue Bonds). Proceeds of these bonds, together with EDA grants of \$14,178,300, were applied to the development of

the Seventh Street Marine Terminal and of 30 acres of the Port's industrial park, and to airport construction, including the World Airways hangar. This work is now complete. There remain outstanding \$8,773,000 of the bonds. Another series of special revenue bonds, in the amount of \$750,000, was issued in 1967 for truck terminal facilities in the Outer Harbor; these bonds are now retired.

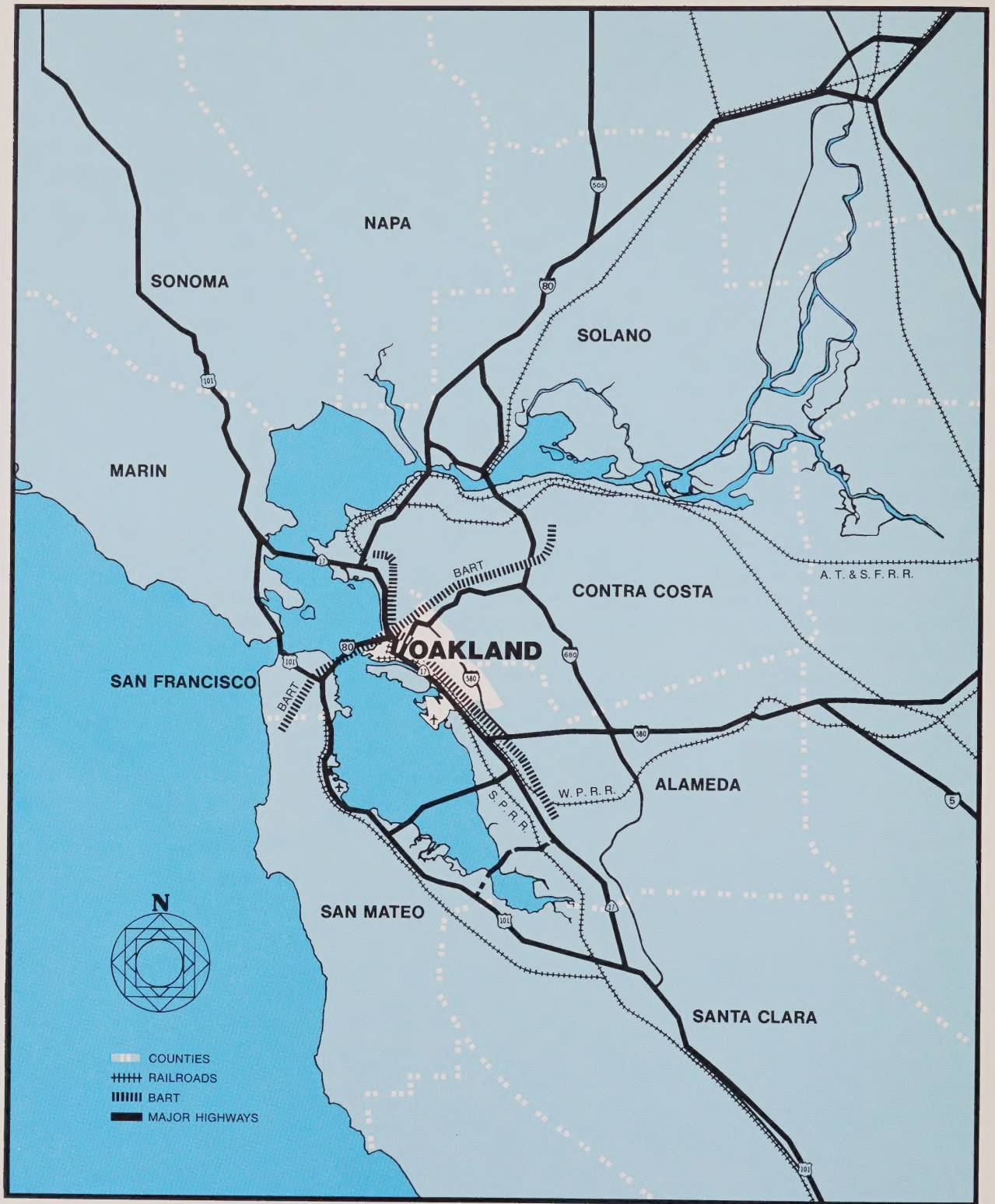
#### Certificates

The Port may finance certain developments by the issuance of Certificates. Each series may be secured by a pledge of income from the lease of the facilities financed by that series. An issue of \$800,000 was sold in 1965 to finance construction of a golf course on Port property leased to the City of Oakland; \$595,000 of these bonds are now outstanding. In 1971, the Port purchased the Seatrain Lines terminal (in the Port Area) with proceeds of a \$20,000,000 Certificate issue, of which \$19,600,000 are now outstanding. This is secured by rental payments to be made by Seatrain and by American President Lines under a lease and preferential assignment agreement; it is further secured by a second lien on general Port revenues (to a maximum of \$1,000,000 per year) on a parity with that of the special revenue bonds. The Port's 1957 Revenue Bonds do not have a lien on rental payments pledged to the Certificates.

PORT OF OAKLAND 1957 REVENUE BONDS

| Series | Principal Amount | Date of Sale | Maturity Dates August 1 | Net Interest Rate | Outstanding May 7, 1975 |
|--------|------------------|--------------|-------------------------|-------------------|-------------------------|
| A      | \$ 3,400,000     | 3/20/57      | 1958-77                 | 3.30%             | \$ 605,000              |
| B      | 1,600,000        | 3/23/60      | 1962-80                 | 3.82              | 615,000                 |
| C      | 3,000,000        | 3/28/61      | 1964-83                 | 3.75              | 1,820,000               |
| D      | 4,500,000        | 7/25/66      | 1967-87                 | 4.58              | 4,385,000               |
| E      | 6,000,000        | 2/ 6/67      | 1968-91                 | 3.98              | 5,540,000               |
| F      | 7,750,000        | 1/22/68      | 1969-93                 | 4.85              | 6,980,000               |
| G      | 11,000,000       | 4/ 7/69      | 1971-95                 | 6.14              | 10,320,000              |
| H      | 6,000,000        | 3/25/70      | 1971-95                 | 5.64              | 4,750,000               |
| K      | 8,740,000        | 12/13/72     | 1981-95                 | 5.11              | 8,740,000               |
| L      | 12,500,000       | 2/20/74      | 1978-95                 | 5.45              | 12,500,000              |
| M      | 18,000,000       | 5/21/75      | 1976-97                 |                   | 18,000,000              |
|        | \$82,490,000     |              |                         |                   | \$74,255,000            |







THE SAN FRANCISCO BAY AREA

The San Francisco Bay Area is the collective name for nine counties — Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma — that border on the San Francisco Bay and form a physical, economic and social entity. Within this entity are four distinguishable sub-sections: San Francisco; the Peninsula (San Mateo and Santa Clara Counties); the East Bay (Alameda and Contra Costa Counties); and the North Bay (Marin, Napa, Solano and Sonoma Counties). The nine counties cover an area of 7,501 square miles and their variance in topography and climate provides a wealth of diversity in life styles and employment.

The Bay Area is the financial and business capital of the West. It is a major manufacturing center, a rich agricultural area, and the leading foreign trade port on the Pacific Coast. The area has many prominent universities and colleges. Its exceptional research

facilities have earned it recognition as a leading research and development center. The Bay Area is one of the nation's largest and fastest growing population centers. Its scenic attractions and desirable climate have made it one of the most popular residential and tourist areas in the world.

The entire area is served by the Port of Oakland's marine activities, and to a considerable extent by its airport and property departments. As a dominant port for containerized cargo, Oakland serves much of the nation. It is a primary distribution center for northern California and much of the western United States, and especially for the San Francisco Bay Area.

The Oakland International Airport is located in the geographical center of the Bay Area population apex. Modern facilities provide a base for three of the world's largest supplemental airlines, and Oakland serves a wide area as a principal airport for international

charter flights. Transportation is provided from the airport to surrounding communities with connections to the Bay Area Rapid Transit System.

The Port's property department has tenants who serve primarily only the East Bay, but it has also many tenants, such as trucking and railway companies, whose services extend to and beyond the entire San Francisco Bay Area.

The counties nearest to the Port and most important to it are Alameda and Contra Costa, on the eastern shore of the Bay, and San Francisco, about four miles to the west. Alameda is the largest in population of the three counties, with Oakland as its principal financial, commercial, and governmental center.

Population

The cities of Oakland and San Francisco have remained fairly constant in population, but much of the neighboring area has been growing rapidly. The Bay Area accounts for about one-quarter of California's population. As shown in the table below, the Bay Area's population has almost doubled since 1950.

SAN FRANCISCO BAY AREA POPULATION

|                               | 1950      | 1960      | 1970      | 1973      | 1974 <sup>①</sup> |
|-------------------------------|-----------|-----------|-----------|-----------|-------------------|
| City of Oakland               | 384,575   | 367,548   | 361,561   | 347,800   | 342,400           |
| Alameda County                | 740,315   | 908,209   | 1,073,184 | 1,095,700 | 1,096,900         |
| Contra Costa County           | 298,984   | 409,030   | 555,805   | 581,200   | 585,900           |
| San Francisco City and County | 775,357   | 740,316   | 715,674   | 687,900   | 679,200           |
|                               | 1,814,656 | 2,057,555 | 2,344,663 | 2,364,800 | 2,362,000         |
| Bay Area Total                | 2,681,322 | 3,638,939 | 4,630,210 | 4,810,100 | 4,838,700         |

① Estimated as of July 1.



## Economic Indicators

Economic indicators for the Bay Area have long registered an upward trend. Some changes in the recent past are shown in Table 7.

The Bay Area is one of the nation's leading centers of commercial activity.

Taxable sales in Alameda and Santa Clara Counties were more than \$3.5 billion during 1974 and totalled over \$2.8 billion in San Francisco. (The figures shown in Table 7 for Taxable Sales for 1974 and for Wages for 1972 are not comparable to those of earlier years because of changes in the items included in the categories.)

Bank deposits in the five-year period from 1968 to 1973 have increased by over 50%. Almost half the total deposits are made in San Francisco, financial capital of the West and principal seat of banking, insurance and investment activity.

**TABLE 7**  
SAN FRANCISCO BAY AREA  
SELECTED ECONOMIC INDICATORS

| <b>Taxable Sales<sup>①</sup></b> | <b>1968</b>      | <b>1972</b>      | <b>1974</b>      |
|----------------------------------|------------------|------------------|------------------|
| Alameda County                   | \$ 2,232,226,000 | \$ 2,876,132,000 | \$ 3,544,533,000 |
| Contra Costa County              | 833,865,000      | 1,196,939,000    | 1,646,650,000    |
| San Francisco City and County    | 2,208,810,000    | 2,412,135,000    | 2,894,433,000    |
|                                  | \$ 5,274,901,000 | \$ 6,485,206,000 | \$ 8,085,616,000 |
| Bay Area Total                   | \$ 9,346,410,000 | \$12,439,765,000 | \$15,902,417,000 |
| <b>Wages<sup>②</sup></b>         | <b>1968</b>      | <b>1971</b>      | <b>1972</b>      |
| Alameda County                   | \$ 2,124,321,000 | \$ 2,530,517,000 | \$ 3,891,572,000 |
| Contra Costa County              | 686,021,000      | 839,372,000      | 1,214,190,000    |
| San Francisco City and County    | 2,924,231,000    | 3,367,485,000    | 4,690,742,000    |
|                                  | \$ 5,734,573,000 | \$ 6,737,374,000 | \$ 9,796,504,000 |
| Bay Area Total                   | \$ 9,748,471,000 | \$11,590,075,000 | \$16,870,132,000 |
| <b>Bank Deposits<sup>③</sup></b> | <b>1968</b>      | <b>1972</b>      | <b>1973</b>      |
| Alameda County                   | \$ 2,325,108,000 | \$ 2,899,049,000 | \$ 3,179,203,000 |
| Contra Costa County              | 715,146,000      | 1,051,612,000    | 1,217,079,000    |
| San Francisco City and County    | 8,065,300,000    | 10,705,549,000   | 12,524,530,000   |
|                                  | \$11,105,554,000 | \$14,656,210,000 | \$16,920,812,000 |
| Bay Area Total                   | \$14,807,777,000 | \$19,907,828,000 | \$22,717,514,000 |
| <b>Assessed Valuation</b>        | <b>1968/69</b>   | <b>1973/74</b>   | <b>1974/75</b>   |
| Alameda County                   | \$ 2,270,631,000 | \$ 3,562,901,000 | \$ 3,814,957,724 |
| Contra Costa County              | 1,572,090,000    | 2,202,155,000    | 2,483,590,928    |
| San Francisco City and County    | 2,195,304,000    | 2,540,304,000    | 2,623,721,793    |
|                                  | \$ 6,038,025,000 | \$ 8,305,360,000 | \$ 8,922,270,445 |
| Bay Area Total                   | \$11,628,340,000 | \$16,854,916,000 | \$18,440,227,449 |

① State Board of Equalization.

② State Department of Human Resources.

③ Federal Reserve Bank.



## Industry

The Bay Area's major income sources range from heavy manufacturing, petroleum refining, and food processing, to sophisticated electronics and aerospace equipment manufacturing.

The adjoining listing of companies and institutions includes fifty of the largest private and twenty of the largest public employers in Alameda County.

Hundreds of regional, national and international administrative headquarters are located in the City of San Francisco, including world headquarters for Standard Oil of California and Crown Zellerbach. Headquarters for Di Giorgio Corp. and Fibreboard Corporation are also located in the city. San Francisco has historically been a leading center of financial activity in the West. The Pacific Stock Exchange ranks with the Midwest Stock Exchange as the country's third largest stock exchange. Banking has flourished and San Francisco now has offices of 50 different banks including the headquarters of the world's largest, the Bank of America.

In Contra Costa County, Standard Oil, Phillips Petroleum, Union Oil, and Shell Oil companies are represented by large petroleum refineries and related chemical processing facilities. At Crockett, the California and Hawaiian Sugar Company operates the world's largest sugar refinery. Bethlehem and U.S. Steel have major fabricating plants in the county, and a large Naval Weapons Station is located at Concord.

San Mateo and Santa Clara Counties contain large electronics research and manufacturing centers, including facilities of Ampex, GTE Sylvania, Varian Associates, Hewlett-Packard and Philco-Ford. Lockheed Electronics Co. and IBM Scientific and Industry Development Center are also located in the area.

## PRINCIPAL EMPLOYERS IN ALAMEDA COUNTY

### Private Employers

|                                   |                                  |
|-----------------------------------|----------------------------------|
| Alta Bates Hospital               | Montgomery Ward                  |
| Bank of America                   | National Health Enterprises      |
| Blue Cross of Northern California | Oakland Scavenger Co.            |
| Capwell & Co.                     | Owens-Illinois                   |
| Carnation Co.                     | Pacific Gas & Electric           |
| Caterpillar Tractor               | Pacific Intermountain Express    |
| Children's Hospital               | Pacific Motor Trucking           |
| Clorox Co.                        | Pacific States Steel             |
| Cutter Laboratories               | Pacific Telephone                |
| Delaval Turbine, Inc.             | Payless Drug Stores              |
| Del Monte Corporation             | Peterbilt Motors                 |
| Diablo Systems, Inc.              | Rucker Company                   |
| General Electric                  | Safeway Stores                   |
| General Motors                    | Sandia Laboratories-Sandia Corp. |
| Grand Auto, Inc.                  | Sears, Roebuck                   |
| Herrick Memorial Hospital         | Shaklee Corporation              |
| Hexcel                            | Simmons Company                  |
| Hunt-Wesson Foods                 | Singer Business Machines         |
| International Harvester           | Southern Pacific                 |
| Kaiser Industries                 | Todd Shipyards Corp.             |
| Liberty House/Rhodes              | Trans International Airlines     |
| Lucky Stores                      | Tribune Publishing Co.           |
| Mack Trucks                       | Wells Fargo Bank                 |
| Merritt Hospital                  | Western Electric                 |
| Mervyn's                          | World Airways                    |

### Public Employers

|                                     |                                    |
|-------------------------------------|------------------------------------|
| AC Transit                          | Hayward Unified School District    |
| Alameda County                      | Naval Air Station                  |
| Alameda Unified School District     | Naval Medical Center               |
| Bay Area Rapid Transit              | Naval Supply Center                |
| City of Berkeley                    | Ctiy of Oakland                    |
| Berkeley Unified School District    | Oakland Unified School District    |
| California State University         | Peralta Community College District |
| East Bay Municipal Utility District | U. S. Army                         |
| Federal Aviation Administration     | U. S. Post Office                  |
| Fremont Unified School District     | University of California           |





*The marina at Embarcadero Cove.*



*Four giant container cranes at the Sea-Land Terminal.*



## Employment

The San Francisco Bay Area offers one of the most diverse employment markets in the western United States. A substantial expansion of employment opportunities has accompanied the population growth, intensifying the region's economic strength. Of the four leading employment categories, services, trade, and government consistently rank ahead of manufacturing in terms of total employment.

## Transportation

The excellent freeway and bridge system of the Bay Area has been a significant factor in the Bay Area's expansion as an important transportation center. There is a very extensive freeway system and seven trans-bay bridges linking the nine counties which surround the Bay. A corridor pattern of development, evolving initially in line with the area's topography and encouraged by the fact that much of the urban development was pre-automotive, has resulted in a concentration of industrial and commercial activity along the Bay, rather than a diffusion in all directions. The effect of this development has been to closely knit the economy of the entire Bay Area, making it a true urban region.

Three major railroads converge in Oakland: Southern Pacific, Santa Fe and Western Pacific. In addition, three local bus systems link most of northern California to the Bay Area. Oakland is a major station for coast-wide service by AMTRAK Passenger Rail Service. Major terminals for a multitude of trucking firms, including the largest trucking companies in the United States, are located in the Bay Area.

The San Francisco Bay is one of the world's finest natural harbors. The area is served not only by the Port of Oakland, but also by the ports of San Francisco, Richmond, Sacramento, Stockton, and Redwood City.

The region is served by San Francisco and Oakland International Airports and by the San Jose municipal airport in Santa Clara County.

A billion dollar rapid transit system centered and headquartered in Oakland is now serving San Francisco, Alameda and Contra Costa Counties. The 75-mile Bay Area Rapid Transit System is designed to eventually carry about 30,000 passengers an hour. A four-mile trans-bay tube provides service between Oakland and San Francisco. Trains currently connect Oakland, San Francisco, Berkeley, Richmond, Concord, Hayward, Fremont, and Daly City.

### SAN FRANCISCO BAY AREA EMPLOYMENT

|                                              | 1974      |
|----------------------------------------------|-----------|
| Agriculture                                  | 23,500    |
| Manufacturing                                | 372,500   |
| Construction                                 | 90,500    |
| Transportation, communications and utilities | 151,700   |
| Trade                                        | 406,900   |
| Finance, insurance, real estate              | 134,200   |
| Services                                     | 379,900   |
| Government <sup>①</sup>                      | 396,000   |
| All other                                    | 220,000   |
| Total <sup>②</sup>                           | 2,175,200 |

① Includes all civilian employees of federal, state and local government.

② Includes wage and salary workers, self-employed and unpaid family workers, domestics — estimates by State Department of Human Resources.







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